

Waterfront Special Development District Commission

Minutes of October 17, 2005 Public Hearing

Present were: Chairman Rogers, Jay Gregory, Isadore Ramos, Jacob Harpootian, Laura McNamara, John Lynch, Jeanne Boyle, Robin Main, Laurie Capaldi and Mr. Pesce was absent but had submitted a proxy authorization for Ms. McNamara.

1. Chairman's Opening Remarks

Chairman Rogers acknowledged the success and good press of the duck boat tour of the waterfront special district. Chairman Rogers announced that Heidi Green would be the new Waterfront Commission intern. Chairman Rogers stated that Commission Member John Gowell had resigned from the Commission. He further said that in the next few months there would be an appointee to replace Mr. Gowell and that two other members would be appointed to the Waterfront Special District Commission.

Chairman Rogers indicated that the Coastal Resource Management Council (CRMC) and Coastal Resource Center (CRC) were scheduled to make a presentation regarding the Metro Bay Special Area Management Plan. He asked if a motion could be made to change the order of the agenda so that the CRMC's presentation would precede the Public Hearing concerning 10 New Road – Wood Precision since the projector and laptop computer were already set up. Motion to change the order of the agenda made by Mr. Gregory and seconded by Dr. Ramos.

2. Approval of Minutes

A. Minutes of September 19, 2005.

On a motion by Mr. Harpootian seconded by Dr. Ramos minutes were approved as amended.

4. Continued Business

B. Presentation regarding CRMC Metro Bay Special Area Management Plan (SAMP)

Mr. Jeff Willis, Deputy Director of CRMC informed the Commission of the plan to revitalize the northern section of Narragansett Bay. CRMC wants to direct policy to clean up the shoreline in this area. This plan would encompass Cranston, Providence Pawtucket and East Providence. CRMC is seeking to promote economic growth by capitalizing on good redevelopment of the shoreline. Pursuant to the Marine Resources Development Plan, the legislature approved introducing an economic element in the SAMP's while increasing public involvement and access and protecting natural resources.

CRMC intends to include local plans under the State umbrella. The local goals and objectives would be integrated into the SAMP. By adopting the SAMP, Federal, State and local governments would have to abide by the SAMP. It will also enable proposed redevelopment projects to be coordinated and streamlined while taking regional impacts into consideration.

Chairman Rogers asked the Commissioners if they had any questions. Mr. Gregory inquired if there would be any coordination between Massachusetts and Rhode Island regarding the Blackstone River. Mr. Willis indicated not yet but could be in the future if the municipalities wished to do so.

Ms. Boyle inquired what the time frame would be for the completion of the SAMP. Mr. Willis indicated that typically they take three years however, it may take four years. He indicated that work on the plan officially begun in July of this year.

Ms. McCann of CRC stated that there is an existing plan from 1983, however it is outdated. There are policies that are currently being changed. For example, the buffer policy is being revised pursuant to the requests of municipalities, environmentalists and developers.

Ms. Boyle stated that there were conflicts with the 1983 plan between the State and municipalities and asked who would prevail on such conflicts if the SAMP was adopted. Mr. Willis replied that there was work being done concerning urban greenways, coastal access, and revegetation policies. Mr. Don Pryor of the public asked when the buffer and greenway policies would go to the public. Mr. Willis replied that they are undergoing revisions and most likely would go to the public by the holidays.

Chairman Rogers asked Ms. Boyle how issues were presently being handled by developers. Ms. Boyle replied that there are currently 200' setbacks and are handled on a case by case basis utilizing a waiver of the regulations. While CRMC is making changes to its setback policy, developers in East Providence will still seek waivers. Ms. Boyle also indicated that storm water management via detention ponds may not be effective if there are environmental constraints or are located on brownfields. She further said that the land uses as contained in the 1983 plan are different in the East Providence plan.

Mr. Rogers stated that there seems to be a risk to limit developers by adopting the SAMP. Ms. Boyle replied that there would be input into the plan by developers, engineers and other experts. Mr. Rogers asked when the regulations would be forthcoming and Mr. Willis replied that the regulations would be implemented as they are completed but the overall SAMP will be complete in 3-4 years.

3. New Business

A. Public Hearing -10 New Road – Wood Precision

Ms. Boyle provided the history of the application. She said the application was for an existing facility that does wood working and produces wood chips as a byproduct. The application is for a high tech furnace that would dispose of the wood chips while also creating heat for the facility. Originally the applicant applied for a special use permit before the Zoning Board for open storage which is a conditional use. The applicant was then advised that approval was required from the Waterfront Special District Commission. As such, the applicant appeared before the Design Review Committee three times, appeared at a public hearing of the Hearing Panel and sought an advisory opinion. At this time, the applicant appeared for a public hearing.

Mr. Stephen Kruppa, a representative of Wood Precision presented the application. Mr. Kruppa explained that the wood fired furnace had a silo located outside the building. The silo is fed by an automated augur system. Employees will not have to operate the system because it is automated and the Fire Department has approved the system. The wood chip byproducts would be used by the furnace to make heat for the building.

Design Review Committee Chair, Mr. Gregory explained that there are only slight emissions produced by the high tech furnace. He went on to state that he had been to the facility on a site visit and the property was neat and well kept. He also indicated that the system was not noisy and was in compliance with the sound ordinance. Mr. Gregory said that the system would save the company money and time. Mr. Gregory stated that the approval from the Design Review Committee approved only in-house materials to be used by the proposed furnace system.

Chairman Rogers invited the public to comment on the application. Mr. Paul Veloise introduced himself as an abutter. He inquired whether the furnace system would be running 24 hours a day, seven days a week. Mr. Kruppa replied that it would. Mr. Veloise asked where the silo would be located on the applicant's property. Mr. Kruppa explained that it would be located in back of the new entrance to the property near the wooded area which is the northeast side of the building. Mr. Veloise next asked whether the noise produced would be within the acceptable noise limits. Mr. Kruppa replied that there is no noise produced by the furnace system. Mr. Gregory agreed that the applicant assured him that there would be no noise. Mr. Gregory said that it would be in compliance with the night time and weekend noise levels and Ms. Boyle agreed.

Mr. Veloise inquired about the emissions produced by the furnace system. The applicant replied that there would be water vapor produced by the furnace but no emissions. Mr. Gregory indicated that the system would be automated on a metered basis and as such it will be burning at a constant rate all of the time.

Mr. Veloise asked if there was any risk of explosion from the system. The applicant replied that there was a system installed in Manhattan and that the emissions were well below the guidelines of the Environmental Protection Agency and the Department of Environmental Management. He further stated that if the system in any way bothers the abutters, the applicant would address any concerns.

Chairman Rogers asked the applicant whether the motivation was environmental or financial in proposing the furnace system. The applicant replied that presently, the wood byproducts were being trucked to Maine to a facility to generate electricity and the rest was being sent to the landfill. Also, there were concerns regarding the rising heating costs. Therefore, the proposed furnace system would decrease costs on two fronts. The projected cost to install the proposed heating system is \$80,000. Chairman Rogers inquired how quickly the system would be installed once approval was obtained. The applicant responded that there was a twelve week lead time to get the controls which would probably take until January of 2006 for the installation of the furnace system.

On a Motion made by Dr. Ramos, seconded by Mr. Harpootian, the Waterfront Development Special District Commission unanimously voted to approve the application based upon the comments and conditions set by the Design Review Committee and Hearing Panel.

B. Presentation regarding TIF's

Mr. Bob Burch of Banc of America Securities informed the Commission that his firm has provided approximately \$5 billion of financing within the U.S. His firm has financed 60-70 projects nationally. Mr. Burch indicated that his firm engages in partnerships between Federal, State and/or local governments and developers. Mr. Burch emphasized that infrastructure must be installed before development can take place. He pointed to a retail project in Pittsburgh on a contaminated parcel with environmental constraints. He emphasized the importance of the City obtaining a TIF to attract development which in turn would create economic development as well as jobs. He also indicated that there was a project on that Potomac River which consisted of approximately 250 acres that required extensive roads and ramps.

Mr. Burch pointed out that there are four options for States and municipalities to finance brownfield remediation and infrastructure:

- 1) wait;
- 2) city/state backed by general fund;
- 3) area wide TIF-use one area to subsidize another area; or
- 4) project specific TIF's used in many large scale projects in New England (i.e. Fan Pier, Massachusetts and Steel Point, Bridgeport, Connecticut).

If developers are right concerning large redevelopment projects, the debt will be paid over time. However, if the project takes more time than anticipated, the assessment will back stop debt. If absorption is slower than predicted, the developer will pay the balance.

The risk would be to the developer who must be comfortable in the market. TIF's do not require developers to provide letters of credit or a balance sheet. The amount of the TIF is dependent upon the level of infrastructure to be subsidized. Mr. Burch provided examples of TIF amounts, such as \$475 million for the World Trade Center and \$190 for the Bridgeport project.

Chairman Rogers asked if there was a minimum amount for a TIF. Mr. Burch said the minimum TIF's range from \$2-5 million. Chairman Rogers asked if there were TIF's that were any smaller. Mr. Burch said that there was a project in St. Louis that utilized a \$795,000 TIF. However, Mr. Burch said that it is less common to receive a TIF that is less than \$5 million.

Chairman Rogers asked what happens if a developer goes bankrupt or if the developer is unable to pay the betterment fee. Mr. Burch replied that there would be a tax lien applied or assets would be taken from whoever had the development rights to the property. He further stated that the general fund is not at risk.

Chairman Rogers asked what the typical timeline would be for obtaining a TIF. Mr. Burch replied that typically it is a 6-9 month period. A viable project may take up to 12 months. Usually, the TIF process begins 6 months prior to issuing the debt. This would enable the applicant to obtain the necessary permits, entitlements and zoning.

Ms. Capaldi asked how the amount of TIF is determined and how is it decided what the TIF will be used for. Mr. Burch indicated that his firm usually meets with the companies and project performer and there is negotiation to determine the correct level of return for the development project. The bank is involved in the decision and comes to an agreement with the developers. Usually there is a third party present to validate the analysis.

Chairman Rogers inquired whether the waterfront redevelopment in East Providence would require one TIF or would be granted on a project by project basis. Mr. Burch replied that each project could stand alone or could be split into specific projects one at a time. Usually development requires common infrastructure in particular phases and involves 3-6 companies at a time.

Ms. Boyle asked if there could be a combined project and area wide TIF for the East Providence waterfront. Mr. Burch replied affirmatively and stated that planning would be required for the timing of the financing. Ms. Boyle explained that in 2002 base property data was established for tax increment financing within the district. She asked whether the TIF would be based on the 2002 value or the value at the time of the project. Mr. Burch said that legal counsel should be asked. He further stated that revenues would be assigned for subproject areas and the 2002 TIF revenues could be isolated for a specific area. However, Mr. Burch emphasized that the financing could be calculated using several methods.

4. Continued Business

A. RFQ for TIF Underwriting Firm

Ms. Boyle explained that the RFQ had been modified pursuant to the comments from the Waterfront Commission and input from legal counsel. Ms. Boyle indicated that if the Board agreed the RFQ could be finalized and pursued. Chairman Rogers stated that there would be an advertisement placed in the newspaper, the firms would be interviewed and the Commission would hire a firm. Ms. Boyle said the advertisement could be published in the newspaper and could be sent directly to financial firms.

Chairman Rogers requested a Motion to authorize the RFQ. On a motion by Dr. Ramos seconded by Mr. Lynch the Waterfront Development Special District Commission voted to authorize the RFQ.

C. Advertising Ventures – Revised Brochure

Mary and Courtney Guerin of Advertising Ventures provided the most recent draft of the Commission's brochure. They explained that they used cleaner white space with varnish. They also included a picture of Providence to depict the close proximity. Ms. Guerin explained that clean, short headlines were used.

Ms. McNamara said that she liked the fact that a photograph was incorporated into the brochure however she does not like the specific photograph that was selected. She suggested using a photograph of the new bridge that will be erected for the Route 195 expansion. She said that the bridge has a lit archway and will be a welcoming entrance into the City of East Providence. Chairman Rogers indicated that he liked the subtlety of the colors used. Ms. McNamara indicated that she did like the colors but did not like the depiction of the piers.

Ms. Boyle stated that she thought the picture used was too promotional of Providence. She said that the photographs should either depict the view of the lighthouse or the southern view of Kettle Point. Attorney Main said that she had a concern regarding the Tockwotton rendering for copyright issues. Chairman Rogers stated that ownership of the symbol should be determined but it would be beneficial to capture a real project. He suggested that the Commission speak with Mr. McKay.

Mr. Gregory said that he liked the picture showing the water but did not like the depiction of Providence or the pier. He suggested a picture depicting the Brown Crew team going by behind the Butler Hospital would show good recreational use. Ms. Guerin agreed to use other images. Chairman Rogers stated that Squantum provided 3-4 image opportunities. He further said that he liked the white rear cover but asked whether a sunset photograph would be consistent artistically with the rest of the brochure. Ms. Guerin indicated that artistically the decision to use a photograph on the back cover could go either way. Mr. Gregory suggested using Steve Connors' photographs depicting images of either front loaders or wrecking balls. Chairman Rogers stated that the intern

will be producing the text of the brochure. Ms. Boyle suggested that it would be good to use images of the existing historical architecture on Roger Williams Avenue.

Mr. Gregory pointed out that the pictures used depict all residential uses and omitted the industrial uses. He suggested that the industrial aspect be incorporated into the brochure. Chairman Rogers indicated that uses should be emphasized rather than specific names. Mr. Gregory inquired whether the size of the Tockwotton picture could be smaller and the picture of the water should be bigger. He asked how many pages the brochure was. Ms. Guerin indicated that it was eight pages.

5. Reports of Commission's Subcommittees

A. Design Review Committee

Mr. Gregory said that the Design Review Committee had no reports at this time. Chairman Rogers indicated that the Design Review Committee was spending lots of time reviewing projects. Mr. Gregory stated that they have had no problems having a quorum and that the members are working well together. He stated that they have been spending lots of hours reviewing projects but were learning at the same time and soon would be able to review projects in less time.

B. Hearing Panel

Dr. Ramos indicated that there were two people in the committee. Mr. Harpootian indicated that he wanted to nominate Dr. Ramos as the chair of the committee. Dr. Ramos indicated that he would like to nominate Ms. McNamara to the committee. Ms. McNamara indicated that she was informed that the committee wanted to nominate her just prior to the meeting. Chairman Rogers suggested that Ms. McNamara be given the opportunity to decide whether she wanted to join the Hearing Panel committee. Chairman Rogers stated that he wanted to put filling the vacancy on the docket for next meeting.

6. Miscellaneous Other Business

A. Pomham Rocks Lighthouse Restoration

Ms. McNamara stated that Phase I of the restoration of preserving the exterior of the lighthouse would be concluding at the end of November. She said that the relighting of the lighthouse was scheduled for the spring. She said that the first phase requires approximately \$300,000 and currently \$150,000 has been raised.

Chairman Rogers asked Ms. McNamara if one of the members would be willing to speak at an upcoming meeting for educational purposes for the Commission. Ms. McNamara agreed.

B. Public Hearing on I-195 Taunton Avenue/Warren Avenue Interchange-Environmental Assessment

Mr. Lynch excused himself and left the room. Ms. Boyle indicated that an obstacle to the planning for the waterfront is poor access to I-195. She informed that Commission that there would be an environmental assessment conducted in order to improve the ramp access to I-195. She further stated that the Gordon Archibald Engineering firm would be providing 3 design alternatives for the I-195 ramp. Ms. Boyle indicated that there would be a public meeting and 3,000 notices were sent to those who potentially may be affected by the ramp change. The format of the public hearing would be a video presentation and questions posed by the public to the consultants. Ms. Boyle stated that Senator Chafee had been instrumental in earmarking \$12 million for the construction of the ramp change. There was also \$5.5 million provided for the Dexter Road connector which would provide improved access to the waterfront and other parts of the City.

Ms. Boyle stated that hopefully the outcome of the environmental impact study would be Finding of No Significant Impact so the project could move forward. The process will take approximately 6-9 months for the design and plan to be completed. The construction will take between 3-5 years and will include some takings. The cost of the construction will be dependent upon which alternative is chosen. However, most likely the entire project will cost approximately \$30-40 million.

7. Staff Report

A. General Counsel's Report

Attorney Main indicated that there was not a general counsel report.

B. Executive Director's Report

Ms. Boyle informed the Commission that she purchased a digital recorder for the Commission that cost approximately \$1000.

8. Communications

Chairman Rogers directed the Commissioners' attention to items G and H. He said that section G pertains that gifts to Commissioners are prohibited. He said that if any Commissioners had any questions they could speak with Attorney Main who was formerly on the Ethics Committee. He indicated that Section H pertained to the funds of the waterfront commission being invested efficiently. Ms. Boyle indicated that the funds were now in an interest bearing account.

9. Adjournment

The meeting adjourned at 8:30 p.m.

Respectfully submitted,

Jeanne M. Boyle
Interim Executive Director

JMB/hjg